

## PUBLIC UTILITIES COMMISSION

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December 20, 2016

Mr. Tim Hermann ([therman@southernco.com](mailto:therman@southernco.com))

GI-2016-07-CVS39-04

VP Storage Peaking & Ops  
Southern Company Gas  
3333 Warrenville Road, Suite 300  
Lisle, IL 60532

SUBJECT: General Order 112 Inspection of Central Valley Gas Storage Emergency Management Program

Dear Mr. Hermann:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112<sup>1</sup> and CA Public Utilities Code Sections 950, 955, 956, 956.5 inspection of Central Valley Gas Storage (CVGS) from July 25 through 28, 2016. The inspection included a review of Emergency Management procedures and records for 2015 through July 2016.

A Summary of Inspection Findings (Summary), which contains areas of concerns and recommendations identified by SED staff, is included as an attachment to this letter.

Please provide a written response indicating the measures taken by CVGS to address the areas of concern and recommendations within 30 days from the date of this letter. SED looks forward to the future success of the CVGS personnel as they implement their Emergency Response Plan to minimize the potential hazards resulting from a gas pipeline emergency. The recommendations provided will ensure prompt and effective response and recovery to emergencies. SED will notify CVGS if the measures taken sufficiently address the areas of concerns identified.

If you have any questions, please contact Alin Podoreanu at (916) 928-2552 or by email at [alin.podoreanu@cpuc.ca.gov](mailto:alin.podoreanu@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno  
Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

<sup>1</sup> General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

cc: Robert Cornell, Director, Southern Company Gas ([rcornell@southernco.com](mailto:rcornell@southernco.com))

Mark Stephens, Manager-Storage Operations Department, Southern Company Gas ([MASTEPHE@southernco.com](mailto:MASTEPHE@southernco.com))

John Boehme, Manager, Regulatory Affairs, Southern Company Gas ([jboehme@southernco.com](mailto:jboehme@southernco.com))

## SUMMARY OF INSPECTION FINDINGS

### A. Areas of Concern and Recommendations

1. Title 49 CFR §192.615 states:

*“(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:*

*(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.”*

SED reviewed attendance records for the 2016 Emergency Response Plan “*FORM OMI00-20 – Training or Safety Meeting Attendance*.” SED recommends that CVGS document the content of trainings and verify that these trainings were effective. Records demonstrating effectiveness need to be provided at future audits. Please provide in response to this audit letter the tools that CVGS will use to verify training is effective. Verification of effectiveness shall occur no later than January 1 2017.

2. Title 49 CFR §192.605 states in part:

*“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.”*

“*CVGS Emergency Response Procedures Agency Notifications and Reporting*” Procedure covers federal, state and local agency reporting requirements for the release of natural gas from a Department of Transportation jurisdictional pipeline. SED recommends adding the California Public Utilities Commission and the Division of Oil, Gas & Geothermal Resources to the list of agencies on the notifications list.

“*CVGS Emergency Response Procedures Agency Notification and Reporting Form #EM-3*” Procedure incorrectly lists the reporting criteria for the California Public Utilities Commission as “*Discharge or threatened discharge of oil/condensate greater than one barrel into marine waters.*” Please update the reporting criteria field and the comment field to reflect the CPUC reporting requirements per GO 112-F.

3. “*CVGS Natural Gas Transmission Pipeline DOT Emergency Communications & Responsibilities*” Procedure states:

“*On-Duty Operator/Person Responsibilities*

*The On-Duty Person shall upon notification of a potential gas emergency, dispatch to the scene to identify the extent of the emergency and to take those steps immediately necessary to protect people and property. The On-Duty Person shall, when conditions warrant, notify the local police, fire, civil officials, and the company Supervisor.”*

CVGS explained that in case of emergency, an on-duty operator would not dispatch to the scene but would assume control room or compressor station responsibilities. The operator would contact other company employees who would dispatch to the scene. SED recommends that CVGS update the procedural language to reflect the dispatch process more accurately.

4. Title 49 CFR §192.616 states in part:

*“(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.”*

API Recommended Practice 1162, First Edition, December 2003, Section 2.3.2 Emergency Responder Liaison Activities (49 CFR Parts 192.615 and 195.402) states:

*“These regulations require that operators establish and maintain liaison with fire, police and other appropriate public officials and coordinate with them on emergency exercises or drills and actual responses during emergency.”*

In addition, the CVGS Emergency Response Manual states:

*“Periodically, a simulated emergency shall be conducted to test the Emergency Plan, train personnel, and test their competency in implementing the plan. These drills shall be as realistic as possible without endangering any lives or property or reducing services to any party on the pipeline systems. These drills may be field exercises, table top drill, or class room training, or a combination of these methods. Note, actual emergencies may be used as a drill or training method if the actual emergency is reviewed and documented as required.*

*Appropriate emergency response groups and agencies may be invited to partake in the drill when appropriate. These groups may include local fire departments, county emergency response agencies, State Police or Highway Patrol, and local police departments. All aspects of the Emergency Plan shall be tested including inter-agency cooperation.”*

Documentation reviewed by SED did not indicate involvement of outside agencies on emergency exercises or drills. CVGS shall coordinate with fire, police and other appropriate public officials on emergency exercises or drills involving CVGS facilities annually. In response to this letter please provide a liaison plan to be implemented in 2017.

5. Title 49 CFR §192.605 states in part:

*“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.”*

The Jefferson Island Storage & Hub (JISH) Control Room is an off-site control room that can assume remote emergency responsibilities in case of emergency incidents. SED reviewed JISH Control Room Notification Procedure (CVGS-JISH 02, 03, 05, 09 and 11) and observed the procedures contained the contact information of a former manager. SED asked if the procedure was reviewed in 2015 but no documentation was provided. Since the JISH Control Room has responsibility to call local staff in case of emergency, the JISH Control Room Notification Procedures must be included in the CVGS Emergency Plan and updated annually. In response to this letter please provide the updated CVGS Emergency Plan.

6. SED reviewed documentation for the 2016 compressor station emergency shutdown (ESD) test. CVGS explained that when testing the ESD system, it verifies that alarms are generated in the local control room but does not verify alarms are generated at the off-site control room (JISH). SED recommends CVGS also verify alarms generated at JISH during future ESD system tests.

7. Title 49 CFR §192.615 states in part:

*“(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:*

- (1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;*
- (2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;*
- (3) Identify the types of gas pipeline emergencies of which the operator notifies the officials; and*
- (4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.”*

CVGS explained it conducted liaison activities; however documentation did not indicate what was discussed during the meetings. CVGS shall document how it meets the requirements in c(1) through c(4) during liaison activities and document this revised language in the revised CVGS Emergency Plan for submission in response to this audit letter.

8. The Emergency Response Plan, DOT Emergency Communications & Responsibilities section describes the initial notification process in case of an emergency as follows:

*“Leaks, fires, explosions, or other emergencies may be reported by the public 24 hours per day, seven days per week, by calling (1-855-303-2847), which is the phone number listed on pipeline markers, and station markers. After hours, these calls are received by the 24 hour answering service and forwarded to the on-duty supervisor. A written record shall be maintained of all calls received and actions taken. The 24-hour answering service is responsible for maintaining the written log of all calls received and actions taken to ensure that no hazardous conditions exists. All personnel receiving leak complaints are trained in asking appropriate questions to determine the location and potential hazard of each leak. Reports received might contain much of the information needed. However, in most instances, this information may not be volunteered; therefore, emergency calls shall be received by, or referred to, a person knowledgeable in reacting to such situations. This person shall attempt to obtain and record the following information:*

***Communication & Information to Obtain during Initial Notification (see Form #Em-1)***

- 1. The address where the emergency has occurred. If the address is given as a rural route, box number of general area, obtain additional information to further identify the location.*
- 2. The name of the caller.*
- 3. The telephone number of the caller and location of the telephone*
- 4. Personal estimate of the information from the caller as to the severity of the situation.*
- 5. What is happening?*
  - a. Gas odor inside structure*
  - b. Gas odor outside structure*
  - c. Line break*
  - d. Gas blowing (hissing sound)*
  - e. Explosion*
  - f. Fire*
  - g. Natural disaster*
  - h. Civil disorder*
- 6. Types of structures or area involved; i.e. school buildings, public assembly areas, critical area locations, etc.*
- 7. Action that has already been taken by persons at the emergency site.*
- 8. An estimate of how long the problem has existed.*
- 9. The traffic situation in the area involved.*
- 10. Any other information that might be helpful.*
- 11. Time of the call and the date.”*

SED reviewed the script the after-hours answering service follows when it receives an initial notification of emergency. The script asks the name of the caller, the callback number and the location where the caller smells gas. This information is relayed to the on-call CVGS representative. The CVGS representative then attempts to call back and obtain more detailed information (see items 1 through 11 above) contained in Form # Em-1.

SED recommends that CVGS evaluate whether obtaining more detailed information during the initial after hours notification call could contribute to a faster response time to an emergency.

9. All standard procedures, training procedures, Emergency Response Plan, and Safety Plan, need to be revised to reference the current June 25, 2015 General Order 112-F instead of the superseded General Order 112-E.